

CALIFORNIA EMPLOYER

First Quarter 2003

A note from the EDD Director: Protecting your UI reserve account

In recent years, our investigators have seen a significant number of fraudulent Unemployment Insurance (UI) claims being filed. Identity theft is prevalent in many of these fraudulent claims.

Identity theft occurs when an individual steals the identity of a legitimate worker and then files a false UI claim based upon the name, Social Security number, and wage credits of the legitimate worker.

You can protect both yourself and your employees from falling victim to UI fraud by carefully reviewing the information on the *Notice of Wages Used for Unemployment Insurance Claim* (DE 1545).



When you receive a DE 1545, please review the information contained on the notice, respond if there are any discrepancies or if you wish to request a ruling, and return the DE 1545 within the time required. This will help us protect your UI reserve account and your employees from fraud.

Another key way to protect yourself and your employees is by properly disposing of your old payroll records. California law requires you to properly destroy (i.e., shred, erase, etc.) the personal information in all records under your control. Your employees may sue for civil damages if you fail to protect their confidential information.

For more information on protecting yourself from identity theft, and updates on recent legislation, visit the California Department of Consumer Affairs Web site at www.privacyprotection.ca.gov.

To report individuals who may be fraudulently collecting UI benefits, contact the Employment Development Department (EDD) toll-free Fraud Hotline at 1-800-229-6297.

Remember, you can help eliminate opportunities for identity theft by properly protecting your confidential information. If you find out someone is fraudulently collecting UI benefits, promptly report the individual to EDD.

Michael S. Bernick
EDD Director

Do your employees claim exempt status?

Did you know that the information your employees provide on their federal *Employee's Withholding Allowance Certificate* (IRS Form W-4) is also used to calculate California Personal Income Tax (PIT) withholding for those employees?



If your employees wish to specify different withholding for State purposes, they must complete an *Employee Withholding Allowance Certificate* (DE 4).

Employees should complete the DE 4 to claim a different marital status or number of allowances than they claimed on their IRS Form W-4. In addition, if your employees want to claim exempt from federal and California PIT withholding, they should claim the exemption on IRS Form W-4.

Since the exempt status expires on February 15 each year, each employee must complete a new IRS Form W-4 by February 15 to remain exempt.

If an employee does not sign a new IRS Form W-4, you are required to change the employee's California withholding status to "single" with zero (0)

withholding allowances and begin withholding California PIT.

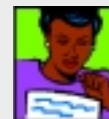
For more information, or to request our instruction form, *Employer's Obligations for Form W-4 or DE 4* (DE 71), visit our Web site at www.edd.ca.gov/taxform.htm#Publications, access our Fax-on-Demand at 1-877-547-4503, or call us at 1-888-745-3886.

Accurate reporting helps child support efforts

When reporting your new hires to EDD, please be sure that the Social Security number (SSN) for each new employee is accurate.

A valid SSN will increase the chances of locating parents who

are delinquent in their child support obligations.



For more information on reporting new hires, please visit our Web site at www.edd.ca.gov/txner.htm or call us at (916) 657-0529.

Mandatory or voluntary, you win with EFT! —

If you made average State Disability Insurance and/or Personal Income Tax payments of \$20,000 or more during the last fiscal year (July 2001 to June 2002), you are now required to remit your payments through Electronic Funds Transfer (EFT) beginning January 2003.



About 97 percent of our EFT filers voluntarily use this payment method to enjoy the many advantages that electronic tax payments offer, such as speed, security, and ease of use. Other benefits include no longer sending DE 88 coupons, writing checks, or paying for postage.

Employers who met the mandatory requirements were mailed a notification form in October 2002. However, any employer may elect to participate in the EFT program.

For more information on EFT, please visit our Web site at www.edd.ca.gov/taxfo.htm#eft, or call our EFT Unit at (916) 654-9130.

Attend an upcoming Small Business Fair —

You are invited to attend one of our upcoming Small Business Fairs, which are held throughout California and offer informative workshops on federal, state, and local tax and business requirements.

■ Fresno

Radisson Conference Center
April 9, 8:30 a.m. – 3:30 p.m.
Call: (559) 248-4200
E-mail: fretxday@boe.ca.gov

■ Bakersfield

Holiday Inn Select
May 13, 9 a.m. – 4 p.m.
Call: (661) 334-3909
E-mail: baktxday@boe.ca.gov

■ Bay Area (Oakland)

Elihu M. Harris State Building
May 16, 8:30 a.m. – 2:30 p.m.
Call: (510) 622-4055
E-mail: basmbus@boe.ca.gov

■ Los Angeles

West Los Angeles College
May 16, 9 a.m. – 2 p.m.
Call: (310) 342-1080
E-mail: lataxday@boe.ca.gov

For further details, visit the State Board of Equalization's Web site at www.boe.ca.gov/sutax/tpsched.htm. These events are free, but reservations are recommended if you plan to attend a workshop.

Self-employed? Protect your income with DIEC —

If you are self-employed, did you know that you can protect yourself against a loss of income due to injury or illness with Disability Insurance Elective Coverage (DIEC)?



We offer this valuable program as a safety net to self-employed individuals doing business in California.

The DIEC program offers you:

- Income protection whether or not an injury or illness was work-related.
- A benefit waiting period of only seven days.
- Premium charges that do not discriminate because of age, occupation, or previous health history.

- Up to 39 weeks of benefit payments.
- Benefits for pregnancy-related disabilities.

To qualify for these benefits, you must apply for DIEC, be approved for coverage, and pay quarterly premiums prior to becoming disabled. Generally, a minimum of seven months must elapse before a new member is eligible to receive benefits.

For more information, please contact us at 1-888-745-3886 or visit our Web site:

- Frequently asked questions:
www.edd.ca.gov/difaq9.htm
- To download an application for DIEC:
www.edd.ca.gov/de1378di.pdf

PAYROLL TAX INFORMATION

- General Tax Information, 1-888-745-3886
Address Changes, or Payroll Tax Forms
- Forms Requests (25+ copies) (916) 322-2835
Fax: (916) 928-5910
- Employer Account # (916) 654-7041
Registration Info. Fax: (916) 654-9211
- Electronic Funds Transfer (916) 654-9130
Fax: (916) 654-7441
- Magnetic Media Reporting:
 - Quarterly & Annual Reports/Deposits (916) 654-6845
 - New Employee Registry/Indep. Contractor (916) 651-6945
- Alternate Forms Coordinator (916) 255-0649
Fax: (916) 255-1578
- Telefile 1-800-796-3524
- Electronic Data Interchange (916) 255-1649
- Tax Rates & Benefit Charge Information (916) 653-7795
- New Employee Registry (916) 657-0529
Fax: (916) 255-0951
- Independent Contractor Reporting (916) 657-0529
Fax: (916) 255-3211
- Offers in Compromise (916) 464-2726
Fax: (916) 464-2077
- Underground Economy Operations (916) 464-1075
Fax: (916) 464-1020
- Taxpayer Rights Advocate (916) 654-8957
Fax: (916) 654-6969
- EDD's Web site: www.edd.ca.gov

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